

4. Building Your Financial Future

Whether you are new to teaching or a seasoned veteran, CalSTRS can help you plan your financial future. This section of the handbook highlights CalSTRS services and programs that can help you develop a plan that will provide the most benefit to you. Consider:

- Attending a workshop to build your knowledge of CalSTRS benefits and help with your plan.
- Meeting with a benefits counselor to gain detailed information about your benefit.
- Knowing how much you need to achieve your retirement goal.
- Using the CalSTRS Voluntary Investment Program to provide supplemental income you may need to reach your retirement goal.
- Using the CalSTRS Home Loan Program to assist you with achieving home ownership, a key part of building a secure financial future.

Your first step should be to learn what you need to include in your plan. The best way to accomplish that is by participating in a CalSTRS workshop. Each workshop is designed to help you determine what should be in your plan, depending on where you are in your career.

Step One – Attend a Workshop

All CalSTRS members are encouraged to attend workshops as the first step to establishing a foundation of knowledge about their CalSTRS benefits. Workshops provide an environment to ask questions and formulate plans as members go through their careers. The workshops are offered at no cost. Members are encouraged to bring a spouse or guest with them.

CalSTRS offers three different workshops — each designed to meet your needs at different stages during your career.

You can register for our workshops in two ways:

- Call toll-free 888-394-2060. If you're not sure which workshop is best for you, the person who registers you can assist you in determining the one that will be most beneficial.
- You can also register online. Go to www.calstrs.com and follow the *Counseling/Workshops* link.

A family member or friend is encouraged to attend as your guest, but must be registered so that a space is reserved for them.

Early Career	Demystifying CalSTRS
1 to 5 Years	This 1½-hour workshop explains the CalSTRS benefits and programs available to you and shows you how your benefits are calculated. <i>Demystifying CalSTRS</i> lays the foundation to help you plan a more secure future. If you have never attended a CalSTRS workshop this is the place to start.
Mid-Career	CalSTRS Fundamentals
5 to 20 Years	<p>This 2½-hour workshop covers your benefits and financial planning in detail. You'll learn:</p> <ul style="list-style-type: none">• How your retirement benefit is calculated and how to increase your benefit.• How to provide a lifetime monthly benefit for another person.• What your disability and survivor benefits provide.• How to complete a financial checkup.• How to set your retirement goals.• Why you need to save in a tax-deferred account.• How to judge your tolerance for investment risk.• How to choose a financial planner.
Near Retirement	CalSTRS Retirement Checkup
20 + Years or Age 55	If you're getting close to retirement and have at least five years of service credit, <i>CalSTRS Retirement Checkup</i> is for you. This 1½-hour workshop goes into detail on how your retirement benefit is calculated, how to provide a lifetime benefit for another person, your disability and survivor benefits, working after retirement and resources for prospective retirees.

Workshops on Demand

Do you live or work in an area where we do not have a scheduled workshop? Workshops can be scheduled “on demand.” Call 888-394-2060 and we’ll take care of all the details so that we can come to you. Please be aware that we require a minimum number of attendees for each workshop.

Step Two – Make a Counseling Appointment

The second step in planning your financial future is to see a benefits counselor for personalized assistance. You will get much more out of your counseling session and will know which questions to ask if you have attended a workshop first.

A benefits counselor can help you create a CalSTRS retirement plan tailored to your needs. Prior to your appointment, the counselor will research your work history, salaries and other data. Then the counselor will provide you with a retirement estimate and go over the calculations with you. Our counselors can also explain the different decisions you will need to make before you retire, including choosing an option. If you are not ready to retire, or if you are considering going on disability, a counseling appointment can provide information that will help you to make a decision or explore possibilities, depending on your situation.

How to Schedule an Appointment

You can meet with a benefits counselor face-to-face or over the phone. To meet with a counselor in person contact the office that is most convenient for you. The interviews are usually scheduled about four weeks in advance.

To schedule a phone counseling appointment call 800-228-5453 Monday through Friday, from 8 a.m. to 5 p.m. and be prepared to provide the following information to the scheduling technician:

- Personal information including Social Security number, birth date, address and phone number.
- Your projected retirement date.

- Your unused sick leave days and the number of days in your contract.
- Your option choice and the birth date of your option beneficiary (if applicable).

Appointments are available about two weeks in advance and can be done during the work day, early evening and on Saturday. The counselor will research your employment history and prepare your customized estimates. The information is mailed to you in advance of your appointment so that you have it in front of you on the day of your appointment. Read through the information when you receive it so that you can prepare any questions you may have ahead of time.

County/City	Phone Number
Alameda/Hayward.....	510-670-4200
Contra Costa/Pleasanton/Dublin	925-426-0102
Contra Costa/Pleasant Hill	925-932-9817
Fresno	559-497-3797
Kern/Bakersfield	661-636-4880
Los Angeles/Downey/Reseda.....	562-922-6414
..... or	562-922-6838
Monterey/Salinas.....	831-784-4195
Orange/Costa Mesa/Laguna Hills	714-966-4251
Placer/Auburn	530-745-1466
Sacramento/Elk Grove	916-686-7778
Sacramento/Fair Oaks	916-971-7918
San Bernardino/Colton	909-433-4686
San Diego	858-292-3565
San Francisco.....	415-355-7756
San Joaquin/Stockton.....	209-468-4864
San Mateo	650-312-7712
Santa Barbara/Santa Maria	805-928-0542
Santa Clara/San Jose	408-535-6171
Santa Cruz/Capitola.....	831-476-7140
Shasta/Redding.....	530-225-0203
Solano/Fairfield.....	707-399-4445
Sonoma/Santa Rosa	707-524-2627
Stanislaus/Modesto	209-525-4831
Tulare/Visalia	559-733-6760
Ventura/Camarillo	805-383-1993
Yuba/Marysville.....	530-749-4900

The busiest months for benefits counselors are April, May and June, so it may be easier to get an appointment earlier in the school year.

How Much Will You Need to Retire?

At retirement, career teachers can expect to have 60 percent to 65 percent of their salary replaced by their Defined Benefit retirement benefit. Financial planners recommend that to maintain your current lifestyle after retirement, you should replace 80 percent to 85 percent of your salary. To meet this goal, it is important to have other sources of retirement income.

Traditional sources of retirement income for American workers consist of three components:

- A worker's pension from his or her employer
- Social Security
- Optional retirement savings plan

CalSTRS members typically have these three sources of retirement income:

- CalSTRS Defined Benefit monthly pension
- Defined Benefit Supplement account
- Optional 403(b) retirement savings plan such as the CalSTRS Voluntary Investment Program

Planning ahead to make the most of your retirement benefit will ensure you the lifestyle you desire after you leave the classroom. One important factor to increasing your retirement benefit is the purchase of additional service credit. See Section 6, Your Retirement Benefit.

CalSTRS members do not receive Social Security benefits from their CalSTRS-covered employment. However, if you will receive Social Security through other employment or expect to receive a Social Security benefit based on a spouse's earnings, see Section 5, Approaching Retirement, for information on how Social Security may affect your retirement benefits.

CalSTRS Voluntary Investment Program

An important component to maintaining your current standard of living after retirement is to set aside funds while you are working to supplement your CalSTRS pension. The Voluntary Investment Program, also referred to as VIP, offers any public school employee

the opportunity to invest these additional funds on a tax-deferred basis for a secure financial future.

As a 403(b) savings program, the Voluntary Investment Program allows you to automatically save a pre-taxed portion of your salary and invest it in your choice of 12 different investment funds or manage it yourself through a self-managed account.

VIP Features

- *More investment flexibility than ever before* – with 12 investment options, all chosen to offer a well-diversified selection of funds, this program includes such well-known fund families as Vanguard, Fidelity and Dodge & Cox.
- *Free, personal financial advice* – online at www.calstrs.com or from qualified professionals toll-free at 800-699-4032.
- *Enhanced online trading* – including the self-managed account, called the Mutual Fund Window, with its 4,000 mutual funds from more than 300 fund families.
- *Greater ease of borrowing from your account* – for those unexpected financial emergencies that come along.
- *Low administrative costs* – passed on to plan participants.
- *Knowledgeable and responsive services reps* – call 800-699-4032.
- *Great savings opportunities from CalSTRS* – your trusted retirement benefit provider.

Free Advice Available

The Voluntary Investment Program offers a free, enhanced advice service designed for VIP participants who want to learn more about personalized savings and investment. This popular VIP service is available online or by telephone. Provided by CalSTRS, advice is available from trained and licensed financial advisors through CitiStreet Advisor Service and powered by the online service, Financial Engines.

The advisor service helps you to:

- Build a personalized profile of your financial resources and retirement goals.
- Understand the likelihood of reaching your goals with your current savings and investment strategy.

- Design a personalized saving and investment plan to better meet your goals.

You will also receive free initial and ongoing consultations, expert and unbiased retirement planning advice, automatic investment rebalancing and quarterly summaries of progress toward your retirement goals.

Rollovers to VIP

In addition to payroll deductions, you can roll over an existing balance from other qualified retirement plans, such as 403(b) plans and governmental 457 plans. You may also roll over all or a portion of the amount in an IRA provided that the entire balance in the IRA is attributable to a prior rollover from a qualified pension, profit sharing, 401(k) or stock bonus plan.

CalSTRS members who are no longer employed in CalSTRS-covered employment can still roll over an existing balance from qualified plans into the Voluntary Investment Program, but they cannot contribute additional funds until they resume CalSTRS-covered employment. CalSTRS retired members are also eligible to participate in the program by transferring funds from their qualified savings plan to the VIP.

For More Information

Call the VIP information line at 800-699-4032 to request an enrollment kit or order it online at the Voluntary Investment Program section under *Members* at www.calstrs.com. The Web site provides a list of current investment funds.

If your employer does not offer the CalSTRS Voluntary Investment Program, please contact us at 800-228-5453.

Comparing 403(b) Plans

No matter which 403(b) optional savings plan you choose, you have a tool to help you make an informed decision. The 403bCompare Web site at www.403bcompare.com provides detailed, objective information about the 403(b) plans available to you.

The site, created and managed by CalSTRS, will help you compare the performance,

features and fees of registered 403(b) plans. You will only be able to establish a new account with vendors registered on the site.

You can use the site to view the 403(b) vendors approved by your employer and then compare the products they offer. The site will show you available investment options, fees involved, and product performance, as well as each vendor's experience and services.

In addition, the 403bCompare Web site has links to general retirement planning information and educational materials. Visit www.403bcompare.com and see how it can help you make better-informed investment decisions.

CalSTRS Home Loan Program

A key part of a secure financial future can be homeownership. The CalSTRS Home Loan Program is open to active, inactive and retired CalSTRS members and Cash Balance Benefit Program participants. They can apply for conventional, fixed-rate, first mortgage loans for the purchase or refinance of one-to four-family owner-occupied properties in California. The program not only provides loans to members but also serves as a prudent investment of CalSTRS retirement funds.

The CalSTRS Home Loan Program includes:

- Your choice of lenders statewide
- 45-day rate float down if interest rates fall
- Controlled lender origination fees

Several financing options are available including:

- Conventional Loan Program
- Zero Down Preferred (95%/5%) Program
- 80%/17% Down Payment Assistance Program

For more information, visit our Web site at www.calstrs.com and click *Home Loan Program* under *Resources* or call toll-free at 866-384-4457.